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Consultation on the Ninth Replenishment of IFAD's Resources: Establishment and selection of chair

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Executive Board — 100th Session
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For: Review

Consultation on the Ninth Replenishment of IFAD's Resources: Establishment and selection of chair

Executive summary

1. Article 4, section 3, of the Agreement Establishing IFAD requires the Governing Council to periodically review the adequacy of the resources available to IFAD to ensure continuity in the operations of the Fund. In order to allow for the timely review of resource availability before expiration of the Eighth Replenishment period, this document presented for the Executive Board's review contains information to facilitate discussion and consensus on the composition of the Replenishment Consultation, as well as on selection of the chair of the Replenishment Consultation. With the agreement of the Executive Board, the draft resolution will be duly revised for submission to the Governing Council for consideration at its thirty-fourth session.
2. To this end, this document contains information on the selection of the chair (below), and on the composition of the Consultation (annex).

I. Background

3. IFAD has formally discussed the issue of an external chair for the replenishment consultation since 2004. At its eighty-third session, IFAD's Executive Board considered a proposal to have the Seventh Replenishment Consultation meetings chaired by a person other than the President of IFAD. "As such a proposal would entail more in-depth consideration than was possible by the Board; and in order not to jeopardize the timing of the establishment of the Seventh Replenishment Consultation, it was decided to defer consideration of the proposal for the Eighth Replenishment."¹
4. At the eighty-seventh session of the Executive Board, "it was agreed that IFAD would provide a paper on the approach and regulations of other organizations with respect to the chairmanship of the replenishment consultations."² At its eighty-eighth session, "the Board considered document EB 2006/88/R.38³ on the chairmanship of replenishment consultations. Directors welcomed the information provided in the report, and noted its usefulness for the Consultation on IFAD's Eighth Replenishment, to be launched in 2008."⁴
5. During its ninety-second session, "the Executive Board considered document EB 2007/92/R.4 on the establishment of the Consultation on the Eighth Replenishment of IFAD's Resources and the paper tabled by List A on the proposal for an independent chair of the Consultation (EB 2007/92/R.57). After extensive deliberations among the Member States of all three Lists, it was agreed that the President of IFAD would chair the Eighth Replenishment Consultation." In addition, "some Board Members expressed the view that the issue of an independent chairperson of the Consultation should be further considered for the subsequent Replenishment."⁵
6. At the ninety-ninth session of the Executive Board, "recognizing that the final decision lies with the Governors of the Fund, the President announced his intention to recommend the appointment of an external chairperson for the consultations and looked forward to discussing this further within Convenors and Friends."⁶ The issue

¹ Para. 12, EB 2004-83 Minutes of the Eighty-third Session of the Executive Board.

² Para. 57, EB 2006-87 Minutes of the Eighty-seventh Session of the Executive Board.

³ EB 2006/88/R.38 Chairmanship of replenishment consultations.

⁴ Para. 51, EB 2006-88 Minutes of the Eighty-eighth Session of the Executive Board.

⁵ Para. 12, EB 2007-92/Rev.1 Minutes of the Ninety-second Session of the Executive Board.

⁶ Para. 6, EB 2010-99 Draft Minutes of the Ninety-ninth Session of the Executive Board.

was subsequently discussed with Convenors and Friends; in addition, the President met with Lists B and C to share information regarding selection of the chair.

7. To allow for a timely start of the Ninth Replenishment Consultation sessions, the draft resolution establishing the Consultation on the Ninth Replenishment of IFAD's Resources would have to be considered by the Executive Board at its 101st session in December of this year and subsequently by the Governing Council at its thirty-fourth session in February of 2011. The draft resolution (see annex), which will contain language on selecting the chair of the Consultation, would need to be finalized accordingly.

II. Rationale

8. Maximising resources available for agricultural development in developing Member States, including through the Replenishment, is one of the principal objectives of the Fund, and responsibilities of its President.
9. The main rationale for an external chair of a replenishment consultation is to enable more effective negotiations on policy and resources by freeing the President to promote the organization that s/he leads. Whilst the organisation and its leadership must respond to all Members, it is clearly difficult for the President to broker agreements between Member States where there is not accord. An external chair would be in a position to facilitate discussion between the organisation and the membership – as well as amongst Members. As a facilitator, the chair's role would be to build bridges and find agreements. The chair would work with all parties to set priorities, allowing the President of IFAD to focus on her/his advocacy role. Clearly the two figures would work closely together, as in the Asian Development Bank, African Development Bank and elsewhere. Such a facilitator would also enable the membership to meet separately and form a consensus amongst the group, as happens in other IFIs.⁷
10. In addition, an external chair for replenishment negotiations represents current best practice among international financial institutions, and has been used by the African and Asian Development Banks.

III. Chairs of other replenishments

11. The following table shows the chair selected for recent replenishment consultations at five organizations.

<i>Institution</i>	<i>Chair</i>
African Development Bank – ADF-12	External
Asian Development Bank – ADF-X	External
Global Environment Facility – GEF-5	Internal (Chief Executive Officer, GEF, and Vice-President, Concessional Finance and Global Partnerships, World Bank)
Global Fund to Fight AIDS, Tuberculosis and Malaria – 3 rd Voluntary Replenishment	External
World Bank – IDA 16	Internal (Managing Director, World Bank)

IV. Criteria

12. The criteria used for selecting the chair could include:
 - (a) Strong knowledge of the multilateral development banks and their processes, including:
 - (i) Knowledge of the replenishment process;

⁷ EB 2007/92/R.57: Independent Chair of Replenishment: Paper tabled by List A.

- (ii) Ability to understand the technical and development issues discussed during the meeting.
- (b) Experience in chairing international meetings effectively, including the ability to:
 - (i) Help reconcile varying points of view on complex issues;
 - (ii) Assist with ensuring clarity in the discussion; and
 - (iii) Be impartial.
- (c) Effective liaison skills; and
- (d) Familiarity with IFAD.

V. Role of the chair

13. The responsibilities of the chair may include the responsibilities listed in paragraph 14.
14. Under the authority of the Consultation on the Ninth Replenishment of IFAD's Resources, the chair will:
 - (a) Chair formal consultation meetings;
 - (b) With the support of the Secretariat, synthesize discussions and prepare the Chair's summary of each meeting, concisely and accurately reflecting the status of negotiations;
 - (c) Ensure that the final report and recommendations of the Consultation respond to the terms of reference of the Consultation – as set forth in the present resolution – and conform to the Agreement Establishing IFAD and other basic documents adopted by the Governing Council.
 - (d) Oversee all aspects of the consultation meetings, discussions and deliberations, including providing guidance and support to the Secretariat of the Governing Council;
 - (e) Critically review and comment on draft documentation and reports prepared for each consultation, ensuring good quality control and strategic coherence;
 - (f) Lead and facilitate discussions and negotiations among the membership, as well as between the IFAD's leadership and the membership, to build consensus to achieve successful outcomes for the review of the adequacy of the resources of the Fund; and
 - (g) Work with the President and staff on the preparations for meetings or negotiations to ensure issues are presented effectively.

VI. Practical issues

15. In the event that Members decide to retain an external chair, IFAD has included a provisional figure of US\$250,000 to cover his/her honorarium and travel expenses for the full duration of the Ninth Replenishment Consultation in the proposed budget for the Consultation on the Ninth Replenishment of IFAD's Resources (contained in the High-level preview of IFAD's 2011 results-based programme of work and administrative and capital budgets to be submitted to EB 100). This figure is based on information from other institutions that have selected external chairs. The figure is intended to cover a professional fee, daily subsistence allowance (DSA), travel expenses and a contingency.
16. The process to be followed for selection of the external chair will consist of:
 - (i) Member States submit nominations to the Secretariat for consideration by Convenors and Friends by 15 October 2010 for them to review and agree on a short-list of three candidates; and,
 - (ii) Convenors and Friends submit the short-list

of three candidates to the President by 12 November 2010 for him to determine, in a transparent manner, the best suited candidate for the role and to make a recommendation to the Governing Council. The candidate's name will be reflected in the resolution establishing the Consultation on the Ninth Replenishment of IFAD's Resources to be considered by the Executive Board at its 101st session in December 2010.

17. Upon completion of the Ninth Replenishment Consultation, Executive Board Members will evaluate the experience of having an external chair to determine whether the practice should be maintained in future.

Draft resolution on the establishment of the Consultation on the Ninth Replenishment of IFAD's Resources

Resolution .../XXXIV

The Establishment of the Consultation on the Ninth Replenishment of IFAD's Resources

The Governing Council,

Recalling article 4, section 3, of the Agreement Establishing IFAD, which provides that, in order to assure continuity in the operations of the Fund, the Governing Council shall periodically review the adequacy of the resources available to the Fund;

Further recalling that the period established by Governing Council resolution 154/XXXII/Rev.1 for the Eighth Replenishment of the Fund's resources will conclude on 31 December 2012;

Having considered the statement of the President on the need for a review of the adequacy of the resources available to the Fund;

Having further considered the need for the establishment of a Consultation on the Ninth Replenishment of IFAD's Resources;

Decides that:

1. A Consultation on the Ninth Replenishment of IFAD's Resources ("the Consultation") shall be established, chaired by _____, to review the adequacy of the Fund's resources and to report to the Governing Council. The tasks of the chair of the Consultation are annexed to this Resolution.
2. The first session of the Consultation shall be held, as soon as possible during 2011, on such date as the chair shall decide, after appropriate consultation with the members of the Consultation and with such further sessions as the Consultation may deem appropriate.
3. The Consultation shall consist of all Member States from Lists A and B and 15 Member States from List C, the latter to be appointed by the members of List C and communicated to the President no later than [20 February 2011]. The Consultation may subsequently invite such other Member States to participate in the Consultation as may facilitate its deliberations.
4. The Consultation shall submit a report on the results of its deliberations and any recommendations thereon to the thirty-fifth session and, if required, subsequent sessions of the Governing Council, with a view to adopting such resolutions as may be appropriate.
5. The President is requested to keep the Executive Board informed of the progress of the deliberations of the Consultation.
6. The President and the staff are requested to provide such assistance to the Consultation as may be necessary for the effective and efficient discharge of its functions.

The tasks of the chair of the Consultation shall include the following:

- (a) Oversee all aspects of the consultation meetings, discussions and deliberations, including providing guidance and support to the Secretariat of the Governing Council;
- (b) Critically review and comment on draft documentation and reports prepared for each consultation, ensuring good quality control and strategic coherence;

- (c) Work with the President and staff on the preparations for meetings or negotiations to ensure issues are presented effectively;
- (d) Lead and facilitate discussions, consultations and negotiations with deputies or officials of donor countries, and build consensus to achieve successful outcomes for the review of the adequacy of the resources of the Fund;
- (e) Chair and participate in formal consultation meetings with Member States, the President and Staff, and in any ad hoc meetings;
- (f) With the support of the Secretariat, synthesize discussions and prepare the chair's summary of each meeting, concisely and accurately reflecting the status of negotiations; and
- (g) Ensure that the final report and recommendations of each Consultation respond to the terms of reference of the Consultation – as set forth in the present resolution – and conform to the Agreement Establishing IFAD and other basic documents adopted by the Governing Council.